

**MINUTES OF THE REGULAR MEETING  
OF THE HAWAII PUBLIC HOUSING AUTHORITY  
HELD AT 1002 N. SCHOOL STREET, BUILDING E,  
ON THURSDAY, JUNE 17, 2010  
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII**

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Meeting at 1002 N. School Street, on Thursday, June 17, 2010 at 9:00 a.m.

The meeting was called to order by Chairperson Travis Thompson and on roll call, those present and absent were as follows:

**PRESENT:** Chairperson Travis Thompson  
Director Sam Aiona  
Director Sherrilee Dodson  
Director Clarissa Hosino  
Director Carol Ignacio  
Director Roger Godfrey  
  
Craig Iha, Deputy Attorney General  
Denise M. Wise, Executive Director

**EXCUSED:** Director Eric Beaver  
Director Linda Smith  
Director Rene Berthiaume  
Designee Henry Oliva  
Director Matilda Yoshioka

**STAFF PRESENT:** Alan Sarhan, Chief Planner  
Charles Itliong, Accountant  
Lydia Camacho, State Housing Development Administrator  
Mark Buflo, Acting Chief Financial Management Advisor  
Rick Sogawa, Acting Contracts and Procurement Officer  
Shirley Befitel, Personnel Officer  
Taryn Chikamori, Secretary to the Board

**PUBLIC:** Mr. David Moakley, Ameresco  
Mr. Fetu Kolio, Mayor Wright Homes resident  
Mr. Sisan Suda, Micronesians United  
Mr. Tim Garry, private resident  
Mr. Derly Luther, private resident  
Mr. Sinclair Quitugua, private resident

### **Proceedings:**

Chairperson Thompson declared a quorum present.

The business of the Board proceeded with a motion entered by Director Dodson to approve the minutes of the Regular Meeting held on May 20, 2010 and seconded by Director Ignacio.

The minutes were unanimously approved as presented.

### **Public Testimony:**

The Board received public testimony from Mr. Sisan Suda, Micronesians United, and he testified that a family who was staying in the Puahala Homes transitional housing has been removed from with no place to go to and was now living on the beach.

Mr. Fetu Kolio a resident of Mayor Wright Homes stated he supports the curfew, tenant monitoring and tenant associations. He would like to see more tenants serving on the Board of Directors.

### **For Action:**

**Motion: To Adopt the Hawaii Public Housing Authority's Policy on the Board of Directors' Role and Interaction with the Staff, Board No. 3.**

**Director Dodson moved and Director Aiona seconded.**

Staff stated that this item had been previously presented to the Board as a "For Action Item" and that the Board had requested staff to seek clarification on two points. As previously presented, the Board inquired as to the inclusion or applicability of the State's "Whistle Blower" statute and there was no mention of external communication in the previous version. The version presented to the Board included language as follows:

"Nothing in this policy is meant to impinge on any person's individual First Amendment rights; it is meant to bring consistency to the Executive Director's management of the flow of information between the Agency and the Board of Directors. If there is a conflict between this policy and any law, rule or regulation, the law, rule or regulation shall prevail."

The second point was that the previous policy addressed internal communication but did not address external communication policy. Staff determined that a separate policy regarding external communication would provide consistent and clear direction. Therefore a separate policy was drafted for Board review and approval.

Chairperson Thompson called a recess at 9:15 a.m. and reconvened at 9:20 a.m.

Discussion ensued and it was referenced by Director Dodson that this policy is consistent with other non-profit agency's communication policies. It was further discussed that there are no ramifications detailed should this policy not be followed by a Board member. Chairperson Thompson stated that should a Board member not follow the policy, then the Chairperson should meet with the Board member and discuss.

Director Aiona asked if this was a new policy or an amendment to an old policy. Staff stated this was a new policy of the Board. Director Aiona stated he likes the content but is concerned about the intent of the policy. Chairperson Thompson stated this policy was modeled after a policy from the St. Paul Housing Authority and that there are several policies that staff is currently reviewing and either updating and/or recommending for adoption to the Board.

With no further discussion, Chairperson Thompson called the question.

**Support:** The motion carried unanimously.

**Motion:**       **To Adopt the Hawaii Public Housing Authority's Policy on Communication, Communications No. 1.**

**Director Ignacio moved and Director Dodson seconded.**

Staff reported that this is a new policy and is a result of the previous direction of the Board to look at external communication policies, e.g., staff to stakeholders outside of the Board.

Director Hosino asked for clarification regarding Board interaction and communication with legislators. Staff responded this policy refers to staff external communication not Board, however, should discussions occur that are of substance either the Chairperson or Executive Director should be appraised as appropriate.

Specific language contained in the presented version was discussed and the statement: "In the event the staff receives a media inquiry regarding factual information that is readily accessible..."

Director Aiona preferred language that directed staff to refer all inquiries from the press to the Office of the Executive Director or Planning. Discussion ensued and it was determined that the recommended policy as written would provide staff some prudence with known information.

With no further discussion, Chairperson Thompson called the question.

**Support:** The motion carried unanimously.

**Motion:**       **To Authorize the Executive Director to Hold Public Hearings on Amendments to 17-2028, Hawaii Administrative Rules (HAR) for Federally**

**Assisted Public Housing, 15-193, and HAR for State Aided Public Housing to Allow Curfews in Public Housing.**

**Director Dodson moved, and Director Ignacio seconded.**

Staff noted to the Board that this approach to conducting public hearings is different from past protocol. Rather than have the Board approve a specific action and/or policy and then present it at public hearings for stakeholder input, staff would like to hold public hearings to discuss and receive input from stakeholders regarding curfews and/or safety concerns at HPHA's communities. This approach begins the public dialogue and assists HPHA in either developing or refining further policies through the House Rules and/or ACOP. These hearings would be conducted at various locations and include the neighbor islands.

Staff stated that once the first round of public hearings was concluded, then the recommendations and suggestions from the residents/stakeholders would be crafted into a policy as appropriate and that would come back to the Board for action. Once that action was taken there would be another round of Public Hearings for additional comments and recommendations. Although this may seem a protracted process from previous protocol, it does provide for a more engaging approach for residents/stakeholders to ask questions and provide input on such a core issue.

Chairperson Thompson inquired as to the process should HPHA find it necessary to impose another curfew. Staff responded the current State Statute that allows the HPHA to place a curfew on a development is specific in direction and application and references a health, safety and welfare situations. Currently, the Governor must approve such a curfew.

Discussion ensued and it was recommended by the Board that staff consider taping and/or recording the public hearings to ensure that all discussion is captured and represented accordingly. Staff stated that recording Public Hearings is the current protocol and it is used for Public Hearings.

A component of the Public Hearings will focus on duration of a curfew. The current State Statute has a maximum timeframe of 120 days or four months. The proposed language is looking to extend the timeframe to allow the curfew for a maximum of 180 days or six months. Board further requested staff to research terminology as curfew has a very specific meaning and intention. Staff stated that is exactly why these requested Public Hearings were important, to understand what residents envision as curfew and the sense of safety.

With no further discussion Chairperson Thompson called the question.

**Support:** The motion carried unanimously.

Chairperson Thompson called a recess at 10:02 a.m. and reconvened at 10:12 a.m.

**Motion: To Approve the Request to the Governor to Delegate Authority to the Executive Director as the Certifying Officer for Categorically Excluded Environmental Reviews.**

**Director Dodson moved, and Director Ignacio seconded.**

Staff explained to the Board that the U.S. Department of Housing and Urban Development (HUD) requires environmental reviews for capital projects. Depending on the nature and scope of the project sets the type of environmental required by HUD. The Governor was deemed the certified officer to sign the environmental reviews for the HPHA. The HPHA is requesting the Governor delegate the signing authority to the executive director for "Categorically Excluded" projects as determined per 24 CFR 58.35(a). There are several components required upon requesting this exclusion and to comply the HPHA, in practice, includes a study from an environmental engineer to ensure that the project complies with 24 CFR 58.35. An example used by staff to illustrate projects that would be eligible for this exclusion is rehabs of buildings and improvements that do not involve changes in land use and unit density is not changed more than 20%.

Staff stated the reason they are seeking this delegated authority for just categorically excluded projects is to keep the projects on schedule and prevent the loss of capital funds as a result of delays in seeking signatures. Should projects require full environmental reviews, those projects would still be under the preview and approval of the Governor.

With no further discussion Chairperson Thompson called the question.

**Support:** The motion carried unanimously.

**Motion: To Adopt the Hawaii Public Housing Authority's Operating Budget for the Fiscal Year 2010-2011.**

**Director Dodson moved, and Director Aiona seconded.**

Staff began the budget presentation with a review of the key impacts of the 2009-2010 fiscal year. The HPHA executive staff developed three strategic goals to focus the upcoming budget and resources. They are:

- 1) Improve the HPHA scores on PASS, FASS, MASS, RAS, and SEMAP which are program ratings assessed by HUD;
- 2) Comply with State and Federal requirements; and
- 3) Improve the efficiency of administrative services.

Staff presented the Board with 6 Budget sheets. The first sheet was an overall budget comparison worksheet and it represents the HPHA's overall budget. The next set sheets are the Federal Low Rent Program worksheet, State Low Rent Program worksheet, and the State Elderly Program worksheet are the asset management project (AMPs) budgets. The HCVP worksheet is the Section 8 budget and the Rent Supplemental Program is a state program.

Staff reported that dwelling rents, HUD Operating subsidies and the State general funds are the primary revenue sources for the HPHA budget.

The Board asked staff several questions regarding revenue increases and decreases for the upcoming fiscal year. Chairperson Thompson questioned why on the Federal Low Rent program budget sheet there were asset management fees for 2009/2010 projected but none collected; however, the HPHA is budgeting \$50,000 for 2011. Staff stated that per HUD's guidelines an asset management fee may be collected if the AMP has "excess cash". There was not sufficient excess cash for fee collection in the 2009/2010 budget. It is anticipated that there will be excess cash for the 2011 budget and therefore the projection.

The Board questioned the State Low Rent program budget sheet. Other income was budgeted at \$2 million for 2009/2010 and \$100,000 was realized. A similar \$2 million figure is projected for the 2011 budget. Staff responded the funds are designated for repair and maintenance projects that are rolling into the 2011 budget cycle.

The Board questioned the State Elderly program budget sheet as to why other income was budgeted at \$684,000 but \$68,000 was realized in 2010; and looking at the 2011 projection the HPHA is projecting \$1 million. Staff responded it is a result of remaining funds from the general fund that will be used in 2011.

The maintenance budget line item for the State Elderly program was questioned. The expenditure for 2009/2010 was \$889,000 in 2010 and the projection for 2011 is \$500,000. Staff responded that this was what was submitted by the AMPs.

The Board questioned the HPHA budget projection of \$1.4 million for the administration budget line item expenditure in 2011 when only \$500,000 was expended in 2009/2010. Staff stated that the decrease in expenditure was a direct result of the state mandated furloughs and the vacancies that were not filled during the 2009/2010 fiscal year.

Staffed stated that the budget is a projection and that as the fiscal year progresses there may be budget restatements should there be variances to the budget projections. Staff also stated that beginning with the fiscal year 2011 there will be budget sheets comparing budget to actual.

It was stated by staff that along with the adoption of the Operating Budget that the Board Resolution and budget were required to be sent to HUD.

**Amend Motion: To Adopt the Hawaii Public Housing Authority's Operating Budget for the Fiscal Year 2010-2011 and Authorize Resolution 27 be Executed by the Board Chairperson.**

**Director Dodson moved, and Director Ignacio seconded.**

With no further discussion Chairperson Thompson called the question.

**Support:** The amended motion carried unanimously.

**Motion:** To Authorize the Executive Director to Take all Actions Necessary to Comply with the Transfer of the Homeless Programs to the Department of Human Services pursuant to Act 89, Session Laws of Hawaii 2010, including but not limited to, the Transferring or conveying of Homeless Properties to the Department of Land and Natural Resources, Revising of Functional Statements, and Reorganizations.

**Director Aiona moved, and Director Dodson seconded.**

With no further discussion, Chairperson Thompson called the question.

**Support:** The motion as amended was carried unanimously.

### **Discussion:**

#### **Finance Task Force:**

Chairperson Thompson stated the Finance Task Force met with staff and reviewed the budget prior to its presentation to the Board. It was noted that significant progress was made.

#### **Board Training Task Force:**

Director Dodson reported that the Task Force has set July 16 for the Board training. The training will be held at the Pacific Club and start at 9:00 a.m. to 3:00 p.m. The training will include ethics training, sunshine law, and general HPHA information. There is a business dress code and cell phones must be quieted.

Noticing of the Board Training will be conducted by staff.

#### **Executive Director's Report:**

##### **Accomplishments**

Ms. Wise reported the HPHA made the 718 fund deadline and has started to work on the 719 funds. Chairperson Thompson asked staff to invite HUD to attend the Board meeting.

Ms. Wise reported that HUD visited Kalihi Valley Homes (KVH), Waimaha Sunflower and was impressed with Waimaha Sunflower. HUD also stated that KVH has made significant improvements.

##### **Planned Activities**

HPHA has four items listed under planned activities. Those items are completing the homeless transfer, HUD REAC inspections to be conducted in July and August, issuing two the Request for Proposals (RFP). One for the Kuhio Park Terrace (KPT) legal service and the other for the American Disabilities Act (ADA) and fair housing Assessment.

Director Aiona inquired as to the HPHA issuing a RFP for translation services. Staff stated that all essential documents will be included. Staff further commented that the languages identified are Chuukese, Korean, Samoan, Ilocano, Tagalong, and Cantonese.

Staff reported that the HPHA met with and discussed with legislators the HPHA recommendation to the Governor that she veto the grand children's bill. The Board inquired as to the reception by the legislators and staff reported that there is some criticism of the HPHA and its lack of following through on its commitments in the past to address this growing concern. Therefore should the Governor veto this bill, the HPHA must take action to work through a solution as discussed with the legislators. The Board asked to staff to keep them informed.

Chairperson Thompson called a recess at 11:22 a.m. and reconvened at 11:45 a.m.

#### Potential Risks

Kahekili Terrace - Maui. This project encountered an unexpected delay due to a staff error. Staff had told contractors on this project that the units would be vacant during the repairs. In fact that was not in plan; the residents would have remained in place. Staff reported the amended plan is the HPHA will fix the vacant units that are nearby and then relocate the families into those units until the units at Kahekili are repaired.

Director Dodson stated that Habitat for Humanity owns the property next to Kahekili and is offering the contractor use of the property to store their items. Should the contractor be interested they are to contact her.

The Makani Kai Hale project has encountered a delay. Apparently the project was never issued a certificate of occupancy. This was learned at the time the HPHA submitted its permit application. The certificate of occupancy may hold up the issuance of the permit, but the County will begin the permit application process.

Ms. Wise reported that the HPHA response to the Banyan Street Manor audit has been submitted except for one item. The outstanding item involves the Replacement for Reserve account. This is the account that has a set monthly amount that should be deposited. The use of said funds are permitted only with HUD approval and used for specific purposes. The audit cited that withdrawals were made from the account without prior approval or explanation by the previous management agent. In order to close out this finding the account needs to be reconciled. The reconciliation of this account will be included in the scope of work for the next audit.

Chairperson Thompson asked what if the account reconciliation does not match what should be in the account. Staff replied that in those situations that the difference had to be resolved which typically meant replacing the funds.

Mr. Sarhan reported that there are two problems with the sale of the Hana property. The first is the appraisal required by State law and the second is the objection by Representative Carrol. As a result the sale has stalled, yet the sales contract does have the contingency that the sale is subject to State legislative approval.



Chairperson Thompson called a recess at 12:00 p.m. and reconvened at 12:07 p.m.

**Motion:** To go into executive session at 12:07 p.m. pursuant to sections 92-4 and 92-5(a)(2), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, as related to the Personnel Issues.

**Director Dodson moved and Director Aiona seconded.**

**Support:** The motion was unanimously carried.

**The Board reconvened from Executive Session at 12:30 p.m.**

Chairperson Thompson reported that the Board discussed personnel issues.

#### Energy Performance Contract (EPC)

Staff explained to the Board that this item has been slow in moving, however the HPHA is getting help from David Birr, a consultant. Mr. Birr has been contracted by the Department of Business, Economic Development and Tourism (DBEDT). Mr. Birr will be helping the HPHA with 1) review of the energy services agreement; 2) training of staff; 3) assistance with the financing components.

Chairperson Thompson asked when can work start. Mr. Moakley responded work would be able to start about three months after the S & P rating and approval from HUD.

Chairperson Thompson asked for a master timeline on the EPC for the next meeting.

The Kalanihuia elevator project is moving ahead and that the HPHA will be putting in sliding panels to block the rain from getting in the elevator shafts which has caused problems in the past.

Staff reported that the application for the tax credits for the KPT redevelopment project was submitted by Michaels Development to the Hawaii Housing Financing and Development Corporation (HHFDC).

#### Legislative Update

Mr. Sarhan reported that the resolution to create homeless safety zones did not pass and the information has been forwarded to the Department of Human Services (DHS).

#### Designated Elderly

Ms. Wise reviewed the timeline for the designated elderly housing.

#### Standardize House Rules

Ms. Wise reviewed the timeline for the standardized house rules.

#### Update on Corrective Action Order (CAO)

Ms. Wise reported there is nothing new to report on the CAO.

Highest and Best use of Dwelling Units

Ms. Wise reported that the HPHA has 149 deprogrammed units and will be looking into if these units are properly classified as deprogrammed.

With no further business for the board to conduct Chairperson Thompson called for a motion to adjourn.

**Director Aiona moved and Director Dodson seconded.**

That the meeting be adjourned at 2:18 p.m.

**Support:** The motion was unanimously carried.

**MINUTES CERTIFICATION**

Minutes Prepared by:

  
\_\_\_\_\_  
Taryn Chikamori  
Secretary to the Board/Recording Secretary

JUL 15 2010  
\_\_\_\_\_  
Date

Approved by the HPHA Board of Directors at their Regular Meeting on  
July 15, 2010

  
\_\_\_\_\_  
Matilda Yoshioka  
Director/Board Secretary

JUL 15 2010  
\_\_\_\_\_  
Date